

PHELPS DODGE CORP
Form 11-K
June 28, 2005

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-82

PHELPS DODGE EMPLOYEE SAVINGS PLAN

PHELPS DODGE CORPORATION

**One North Central Avenue
Phoenix, Arizona 85004**

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Benefits Administration Committee has duly caused this Annual Report to be signed by the undersigned hereunto duly authorized.

PHELPS DODGE EMPLOYEE SAVINGS
PLAN

Date: June 27, 2005

By: /s/David L. Pulatie
David L. Pulatie, Chairman
Benefits Administration Committee

**Phelps Dodge Employee Savings Plan
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December 31, 2004 and 2003**

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* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable

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Report of Independent Registered Public Accounting Firm

To the Benefits Administration Committee and Participants
of the Phelps Dodge Employee Savings Plan

In our opinion, the accompanying statement of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Phelps Dodge Employee Savings Plan at December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Benefits Administration Committee (the Committee); our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Committee, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Committee. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/PricewaterhouseCoopers LLP
Phoenix, Arizona
June 22, 2005

Table of Contents**Phelps Dodge Employee Savings Plan****Statement of Net Assets Available for Benefits
December 31, 2004 and 2003
(in thousands)**

	2004	2003
Assets		
Investments at fair value:		
Interest in the Master Trust	\$ 474,517	
Investments	140,456	541,806
Total investments	614,973	541,806
Receivables:		
Employee contributions receivable	980	268
Employer contributions receivable	960	490
Employer profit sharing contribution receivable	17,826	5,234
Total receivables	19,766	5,992
Net assets available for benefits	\$ 634,739	547,798

The accompanying notes are an integral part of these financial statements.

Table of Contents**Phelps Dodge Employee Savings Plan****Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2004
(in thousands)**

Additions to net assets attributed to:

Investment income:

Plan interest in Master Trust investment income

Master Trust investment income

\$ 33,143

Investment expenses

(127)

Plan interest in Master Trust investment income

33,016

Net appreciation in fair value of investments:

Common stocks

23,487

Mutual funds

5,336

Common/collective funds

13

Net appreciation in fair value of investments

28,836

Dividends and interest

14,236

Net investment income

76,088

Contributions:

Participant contributions

27,906

Employer matching contributions

12,315

Employer profit sharing contribution

17,826

Total contributions

58,047

Total additions, net

134,135

Deductions from net assets attributed to:

Distributions to participants and beneficiaries

46,824

Administrative expenses

370

Total deductions	47,194
Increase in net assets	86,941
Net assets available for benefits at December 31, 2003	547,798
Net assets available for benefits at December 31, 2004	\$ 634,739

The accompanying notes are an integral part of these financial statements.

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Phelps Dodge Employee Savings Plan

Notes to Financial Statements

1. Description of Plan

General

The Phelps Dodge Employee Savings Plan (the Plan) is a defined contribution plan established for the benefit of eligible employees (the Participants) of Phelps Dodge Corporation (the Corporation). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). A brief description of the Plan is included in the following paragraphs. Participants should refer to the Plan document for a complete description of Plan provisions.

Administration

The Plan is sponsored by the Corporation and administered by the Corporation's Benefits Administration Committee (the Committee) composed of seven employees of the Corporation who are appointed by the Corporation's Board of Directors.

Effective April 1, 2005, an Investment Committee was established to designate and monitor the investment vehicles available under the Plan. The Investment Committee is composed of six employees of the Corporation, as described by the Plan document.

Effective October 1, 2004, the Corporation entered into the Master Trust Agreement for the Phelps Dodge Employee Savings Plan (the Master Trust) with JPMorgan Chase Bank to serve as the funding vehicle for the Plan. Prior to October 1, 2004, all Plan assets were held in a trust (the PD Plan Trust) pursuant to a trust agreement by and between the Corporation and JPMorgan Chase Bank. On October 1, 2004, the common/collective funds, mutual funds and the Plan's benefit-responsive guaranteed investment contracts (GICs) were transferred from the PD Plan Trust to the Master Trust. The Master Trust is administered by JPMorgan Chase Bank (the Trustee). JPMorgan Retirement Plan Services LLC serves as the Recordkeeper of the Plan.

Brokerage commissions, taxes and other expenses incurred in connection with the purchase and sale of securities or other property for a fund are paid by such fund. All other fees and expenses of plan administration are paid by the Master Trust (PD Plan Trust prior to October 1, 2004) unless the Corporation elects, in its sole discretion, to pay those expenses directly. The fees and expenses of the Plan primarily relate to the administration of the Plan's GICs.

Contributions

All Participants are eligible to make pretax deferral contributions (Pretax Contributions), subject to certain limitations, equal to a whole percentage from 1 percent to 100 percent of their eligible earnings. Participants who have attained age 50 before the end of the applicable year may be eligible to make additional Pretax Contributions up to the annual catch-up limit, which may be eligible for a matching contribution from the Corporation (Company Matching Contribution). After-tax contributions are not permitted. The Company Matching Contribution is equal to 100 percent of the Participant's Pretax Contributions that do not exceed 3 percent of the Participant's eligible earnings and an additional 50 percent of the Pretax Contributions that do not exceed the next 2 percent of the Participant's eligible earnings. Participants are eligible to make Pretax

Contributions to the Plan immediately upon hire date, and those Pretax Contributions are eligible for the Company Matching Contribution. All contributions are invested in one or more of the investment vehicles available within the Plan as directed by Participants. Participants are always fully vested in their total account balances.

A profit sharing contribution, as defined by the Plan document, for eligible employees may be made by the Corporation (Company Profit Sharing Contribution). Eligible employees generally are those Participants employed in a salaried job classification, have a year of service (1,000 hours of service) and are employed on the last day of the Plan year. However, if Participants retired, died or became disabled during the year, those Participants are still eligible to receive this contribution. A profit sharing contribution of \$17,826,000 was made for 2004 and paid in 2005.

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**Phelps Dodge Employee Savings Plan
Notes to Financial Statements**

1. Description of Plan (Continued)

Investments

Participants may direct the investment of their account balances in a variety of investment vehicles comprised of common stocks, mutual funds, common/collective funds and GICs. The Plan is intended to comply with Section 404(c) of ERISA.

Distributions

Participants' interests in the Plan become distributable upon severance from employment with the Corporation, upon attaining age 59 1/2 or to their beneficiaries in the event of their death. The distribution may be made in a single lump sum or a series of substantially equal annual, quarterly or monthly cash installments beginning no earlier than age 55 and continuing over a period not to exceed 10 years, at the election of the Participant or beneficiary. Cash distributions are based upon the underlying closing price for all investments, except for the common stocks mentioned below. Distributions of investments in Phelps Dodge Common Stock, Occidental Petroleum Stock or BP Amoco Stock are based upon the actual price at which the stock is liquidated in the market three days prior to distribution. Distributions of investments in Phelps Dodge Common Stock, Occidental Petroleum Common Stock and BP Amoco Common Stock may also be made in shares.

After-tax contributions were permitted in certain plans that transferred assets into the Plan in prior years. Participants may withdraw such after-tax contributions and earnings thereon at any time. The Plan also provides, with certain limitations, for hardship withdrawals of Pretax Contributions, Company Pre-Safe Harbor Matching Contributions and Company Profit Sharing Contributions; however, earnings on any of these contributions are ineligible for hardship withdrawal. Hardship withdrawals are not granted unless other financial resources are not reasonably available, including after-tax savings or a loan from the Plan. All withdrawals and distributions are made in accordance with rules outlined in the Plan document.

Loans

Participants may borrow from their account balances as provided in the Plan. Loans are repayable over a maximum of 5 years with the exception of loans for the purchase of a primary residence that may extend to 15 years. The maximum loan amount is equal to \$50,000 minus the Participant's highest outstanding loan balance during the past 12 months, limited to 50 percent of the Participant's vested account balance. Loans bear interest at the prime rate as quoted by the Plan's Trustee plus 2 percent. The prime rate at December 31, 2004, was 5.25 percent.

Loans are repaid by payroll deductions and interest is credited to the Participant's accounts. Loans are generally secured by the Participant's account balance.

Plan Termination

The Plan may be amended or terminated at any time by the Corporation. No such action may cause any portion of the Plan assets to revert to the Corporation or to be used or diverted for any purpose other than for the exclusive

benefit of Participants or their beneficiaries.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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**Phelps Dodge Employee Savings Plan
Notes to Financial Statements**

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Plan investments, other than GICs, are presented at fair value. The fair values of common stock, mutual funds and common/collective fund shares are based upon the closing market price on the valuation date. GICs are recorded at contract value and are based upon the respective face values plus accrued interest on the valuation date. Participant loans are valued at cost, which approximates fair value.

Security transactions are recorded on a trade-date basis. Expenses paid by the Plan in connection with such transactions include brokerage commissions and taxes that are included in the cost of securities purchased and deducted from the proceeds of securities sold. Net appreciation (depreciation) in the fair value of the Plan's investments consists of the realized gains (losses) and the unrealized appreciation (depreciation) on those investments. Dividend income is recognized on the ex-dividend date. Interest income is recognized as earned. Employer and Participant contributions are recognized on the accrual basis.

Risks and Uncertainties

Investments held by the Plan are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect Participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Payment of Benefits

Benefits are recorded when paid.

3. The Master Trust

The Master Trust refers to the Master Trust agreement with JPMorgan Chase Bank, which was effective on October 1, 2004. The Plan's interest in the Master Trust represents the Plan's investments in U.S. government securities, common/collective funds, mutual funds and GICs.

The Master Trust holds investments for the Plan as well as an hourly bargained employee savings plan for one of the Corporation's subsidiaries. At December 31, 2004, the Plan's interest in the net assets of the Master Trust was

98.137 percent. The records for each of the plans are maintained by the Trustee based on the individual plan participant's investment balances. Investment income (loss) is allocated to each Participant's account on a daily basis through a valuation performed by the Recordkeeper. Administrative expenses relating to the Master Trust are allocated to the individual funds based upon each participant's pro rata share.

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Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements****3. The Master Trust (Continued)**

The net assets available for benefits of the Master Trust at December 31, 2004, were as follows (in thousands):

Mutual funds	\$ 256,189
Common/collective funds	227,048
U.S. government securities	288
Net assets available for benefits	\$ 483,525

Net appreciation, and dividends and interest income of the Master Trust for the year ended December 31, 2004, were as follows (in thousands):

Investment income:	
Net appreciation in fair value of investments:	
Mutual funds	\$ 21,493
Common/collective funds	6,877
Dividends and interest	5,331
Net investment income	\$ 33,701

Certain of the Master Trust's investments include GICs that are carried at contract value. The GICs are credited with earnings on the underlying investments and charged for Participant withdrawals and administration expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract value of the GICs within the respective funds as of December 31 was as follows:

	2004	2003*
	(in thousands)	
JPMorgan Interest Income Fund	\$ 93,151	84,333
Moderate Investment Portfolio Fund	29,434	23,862
Aggressive Investment Portfolio Fund	10,916	8,771
Conservative Investment Portfolio Fund	10,350	8,500
	\$ 143,851	125,466

* GICs were held by the PD Plan Trust at December 31, 2003, and transferred to the Master Trust effective October 1, 2004

Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements****3. The Master Trust (Continued)**

A reconciliation of the fair market value of investments in these contracts and the related contract value as reflected in the accompanying Statement of Net Assets Available for Benefits was as follows:

	December 31,	
	2004	2003*
	(in thousands)	
Fair market value of investments	\$ 146,800	129,161
Synthetic wrapper value	(2,949)	(3,695)
Carrying value (contract value)	\$ 143,851	125,466

* GICs were held by the PD Plan Trust at December 31, 2003, and transferred to the Master Trust effective October 1, 2004

There were no reserves against contract value for credit risk of the contract issuers or otherwise at December 31, 2004 or 2003. During 2003 and the first nine months of 2004, the GICs were held by the PD Plan Trust, which were transferred to the Master Trust effective October 1, 2004. The average yield was approximately 5.35 percent and 5.46 percent for 2004 and 2003, respectively. The crediting interest rates as of December 31, 2004 and 2003, were 5.43 percent and 5.63 percent, respectively. The crediting interest rates are based on a formula agreed upon by the issuers. Such interest rates are reviewed on a quarterly basis for resetting.

4. Investments

The following table presents investments that represent five percent or more of the Plan's net assets at December 31:

	2004	2003
	(in thousands)	
JPMorgan Interest Income Fund	\$ 95,689*	86,281
Phelps Dodge Common Stock Fund	\$ 84,744	88,290
Moderate Investment Portfolio Fund	\$ 71,285 *	61,011
American Century Equity Growth Fund	\$ 68,915 *	61,573
American Century Income and Growth Fund	\$ 57,781 *	50,685
Aggressive Investment Portfolio Fund	\$ 53,078 *	45,173
JPMorgan Enhanced Index Fund	\$ 43,574 *	36,325

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T. Rowe Price Small Cap Stock Fund	\$ 40,644 *	30,008
Schwab Personal Choice Retirement Fund	\$ 30,594 **	27,651

* Investment is held by the Master Trust at December 31, 2004

** Amount is less than five percent of the Plan's net assets

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Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements****5. Related Party Transactions**

The Trustee invests in the Corporation's common stock in accordance with the provisions of the Plan. The following is a summary of transactions in the Corporation's common stock during 2004 (in thousands):

Cost of shares purchased	\$ 25,211
Number of shares purchased	319
Proceeds from shares sold	\$ 51,286
Number of shares sold	603
Value of shares distributed	\$ 958
Number of shares distributed	18
Dividend income received	\$ 505

Certain Plan investments are shares of mutual funds and common/collective trusts managed by American Century Investments and JPMorgan Asset Management while an affiliated company, JPMorgan Retirement Plan Services LLC, is the Recordkeeper as defined by the Plan. Therefore, these transactions qualify as party-in-interest.

6. Tax Status

The Plan received a determination letter from the Internal Revenue Service (IRS) dated October 16, 2002, which states that the Plan met the requirements of Section 401(a) of the Internal Revenue Code and that the earnings of a trust are exempt from taxation under Section 501(a) of the Code. The Plan has been amended since receiving the determination letter; however, the Committee believes that the Plan, as amended and as operated, continues to satisfy IRS requirements for tax exemption.

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2004****Supplemental Information
Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or	(d) Cost **	(e) Current value
	CASH AND SHORT-TERM INVESTMENTS:			
	CASH		\$	232,537
	EUROBANK N.A. 5.75% CD	15,000		14,521
	FORD MOTOR CREDIT CO NOTES 4.70% DUE 5/22/06	10,000		10,073
	GENERAL MOTORS ACCEPTANCE CORPORATION SMARTNOTES 5.0% DUE 7/15/08	10,000		9,913
	SCHWAB MONEY MARKET FUND	187,463		187,463
	SCHWAB U.S. TREASURY MONEY FUND	3,142,929		3,142,929
*	JPMORGAN CHASE MONEY MARKET FUND	92		92
	FEDERATED S-T U.S. GOVERNMENT SECURITIES	3		3
	TOTAL CASH AND SHORT-TERM INVESTMENTS			3,597,531
	COMMON STOCKS:			
	3COM CORP	3,254 shares		13,569
	3M COMPANY	224 shares		18,384
	3WVENTURES.COM INC	375 shares		
	4 KIDS ENTERTAINMENT INC	500 shares		10,510
	8X8 INC NEW	2,014 shares		8,197
	ABC BANCORP	500 shares		10,455
	ADC TELECOMMUNICATION	3,025 shares		8,107
	AM COMMUNICATIONS INC	2,000 shares		1
	AMF BOWLING INC	800 shares		2
	AMR CORPORATION	100 shares		1,095
	AMX CORPORATION	100 shares		1,647
	AO TATNEFT SPON ADR	500 shares		14,495
	AT&T CORP	519 shares		9,883
	AU OPTRONICS CORP ADR	2,778 shares		39,781
	AASTROM BIOSCIENCES INC	200 shares		284
	ABERDEEN ASIA-PACIFIC PRIME INCOME FUND INC	2,820 shares		18,274
	ABERDENE MINES LTD	740 shares		281

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ABRAXAS PETROLEUM CORP NEVADA	1,000	shares	2,320
ACE COMM CORPORATION	100	shares	240
ADOBE SYSTEMS INC	251	shares	15,756
ADVANCED MICRO DEVICES	544	shares	11,979
ADVANCED VIRAL RESEARCH	6,150	shares	873
ADVANCED OPTICS ELECTRONICS INC	250,000	shares	600
AEROFLEX INC	1,000	shares	12,120
AEROPOSTALE INC	735	shares	21,631
AFFILIATED COMPUTER SERVICES INC CLASS A	178	shares	10,714
AGERE SYSTEMS INC CLASS A	341	shares	467
AGERE SYSTEMS INC CLASS B	4,716	shares	6,367
ALCOA INC	1,133	shares	35,597
ALLIANCE RESOURCES PARTNERS LP	190	shares	14,060

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**Phelps Dodge Employee Savings Plan
 Schedule of Assets (Held at End of Year)
 December 31, 2004**
**Supplemental Information
 Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost **	(e) Current value
	ALLIXON CORPORATION	20 shares		
	ALTERNATE ENERGY CORP	150 shares		56
	ALTRIA GROUP INC	24 shares		1,471
	ALVARION LTD	1,000 shares		13,260
	AMAZON.COM INC	505 shares		22,366
	AMERICA WEST HOLDINGS CORPORATION CLASS B	4,800 shares		31,584
	AMERICAN EXPRESS COMPANY	100 shares		5,637
	AMERICAN INTERNATIONAL GROUP INC	100 shares		6,587
	AMERICAN MULTIPLEXER CORPORATION	3,000 shares		150
	AMERICAN SOFTWARE INC CLASS A	900 shares		5,427
	AMERICAN AIRCARRIERS SUPPORT INCORPORATED	320 shares		
	AMERICAN EAGLE OUTFITTERS INC	102 shares		4,804
	AMERICAN FIRE RETARDANT CORP	13,999,986 shares		1,400
	AMERICAN POWER CONVERSION CORP	100 shares		2,140
	AMERICAN SUPERCONDUCTOR CORPORATION	300 shares		4,467
	AMERN TOWER CORP CLASS A	1,140 shares		20,976
	AMGEN INCORPORATED	400 shares		25,660
	AMIGULA INC	11,000 shares		4,400
	ANADIGICS INC	100 shares		375
	ANALYTICAL SURVEYS	500 shares		1,675
	ANGIODYNAMICS INC	900 shares		19,935
	ANGLO AMERICAN PLC ADR	795 shares		18,913
	ANGLO AMERICAN PLATINUM ADR	50 shares		1,837
	ANHEUSER BUSCH COMPANY INC	406 shares		20,585
	ANNALY MORTGAGE MANAGEMENT INC	150 shares		2,943
	ANTIGENICS INC DE	500 shares		5,060
	APPLEBEE S INTERNATIONAL, INC	33 shares		878
	APPLERA CELERA GENOMICS	100 shares		1,375
	APPLIED MATERIALS INC	200 shares		3,420
	APPLIED MICRO CIRCUITS	10,000 shares		42,100
	ARADIGM CORP	270 shares		467
	ARIBA INC	931 shares		15,455
	ARTEC INC	100 shares		20
	ASPECT COMMUNICATIONS	100 shares		1,114
	ASTRALIS LTD	3,000 shares		2,190

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ATHEROS COMMUNICATIONS	240	shares	2,460
ATMEL CORP	600	shares	2,352
AUDIBLE INC	300	shares	7,815
AUDIOCODES LTD	200	shares	3,322
AUDIOVOX CORPORATION CLASS A	150	shares	2,367
AURIZON MINES LTD	400	shares	548
AUTO CENTRIX INC	2,000	shares	340
AUTODESK INC	196	shares	7,438
AUTOIMMUNE INC	1,000	shares	880

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**Phelps Dodge Employee Savings Plan
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 December 31, 2004**
**Supplemental Information
 Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost **	(e) Current value
	AVAYA INC	41 shares		705
	AVICI SYSTEM INC	7 shares		63
	AVITAR INC	400 shares		64
	AXIA GROUP INC	1 share		
	BE AEROSPACE INC	252 shares		2,933
	BGR CORPORATION	12,533 shares		75
	BHP BILLITON LIMITED ADR	450 shares		10,809
	BP AMOCO STOCK	22,114 shares		1,291,465
	BP PLC ADR	640 shares		37,376
	BANK OF AMERICA CORPORATION	337 shares		15,842
	BANK OF NEW YORK CORPORATION, INC	103 shares		3,429
	BARRICK GOLD CORPORATION	200 shares		4,844
	BEBE STORES INC	118 shares		3,184
	BELL MICROPRODUCTS INC	1,000 shares		9,620
	BENGUET CORP CLASS B	1,000 shares		50
	BENTHOS INCORPORATED	95 shares		1,622
	BERKSHIRE HATHAWAY CLASS B	10 shares		29,360
	BEST BUY INC	128 shares		7,606
	BEVERLY ENTERPRISES	100 shares		915
	BICO INC	9,000 shares		9
	BINDVIEW DEVELOPMENT CORPORATION	200 shares		858
	BIO ONE CORPORATION	10,000 shares		520
	BIO REFERENCE LABS	670 shares		11,658
	BIO SOLUTIONS MANUFACTURING	80 shares		146
	BIOSITE INC	49 shares		3,015
	BLOCKBUSTER INC CLASS A	1,670 shares		15,932
	BLUEGREEN CORPORATION	154 shares		3,054
	BLUETORCH INC	773,350 shares		4,021
	BOEING CO	243 shares		12,595
	BOMBARDIER INC CV CLASS B	200 shares		397
	BONE CARE INTERNATIONAL	104 shares		2,896
	BOOKS A MILLION	12 shares		116
	BOSTON PROPERTIES INC	105 shares		6,793
	BOSTON SCIENTIFIC CORPORATION	300 shares		10,665
	BOTTOMLINE HOME LOAN INC	50 shares		
	BOYD GAMING CORPORATION	181 shares		7,539
	BRASCAN CORPORATION	100 shares		3,601

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BRIGHAM EXPLORATION COMPANY	200	shares	1,800
BRISTOL-MYERS SQUIBB CO	663	shares	16,988
BROADVISION INC	13	shares	36
BROCADE COMMUNICATIONS SYSTEMS INC	200	shares	1,528
BUILDING MATERIALS HOLDING CORP	85	shares	3,255
CMGI INC	2,080	shares	5,304
CMKM DIAMONDS INC	28,310,497	shares	5,662

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**Phelps Dodge Employee Savings Plan
 Schedule of Assets (Held at End of Year)
 December 31, 2004**
**Supplemental Information
 Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost **	(e) Current value
	CT COMMUNICATIONS INC	101 shares		1,237
	CALIPER LIFE SCIENCES	30 shares		226
	CALPINE CORPORATION	7,900 shares		31,126
	CAMBIOR INC	3,000 shares		8,010
	CAMECO CORPORATION	345 shares		36,177
	CANADIAN NATIONAL RAILWAY CO	200 shares		12,250
	CANADIAN OIL SANDS	50 shares		2,821
	CANDELA CORPORATION	1,000 shares		11,360
	CAPITAL HILL GOLD INC	10,000 shares		1,400
	CARDIAC SCIENCE INC	1,110 shares		2,375
	CAREDECISION CORP	756,000 shares		14,364
	CARRIER ACCESS CORP	500 shares		5,340
	CASAVANT INTERNATIONAL MINING CORP	622,348 shares		
	CASCADE MOUNTAIN MINING CO INC	47,716 shares		124
	CATERPILLAR INC	167 shares		16,291
	CDEX INC CLASS A	44 shares		51
	CELL THERAPEUTICS INC	500 shares		4,070
	CENDANT CORP	50 shares		1,169
	CENTRAL EUROPEAN MEDIA ENTERPRISES LTD	75 shares		2,919
	CENTRAL WIRELESS INC	5,000 shares		6
	CERADYNE INC DEL	235 shares		13,444
	CHARLES & COLVARD LTD	332 shares		3,532
	CHARTER COMMUNICATIONS	1,120 shares		2,509
	CHECK POINT SOFTWARE TECHNOLOGIES	175 shares		4,310
	CHECKFREE CORP	40 shares		1,523
	CHEVRONTEXACO CORP	2,311 shares		121,363
	CHICOS FASH INC	10 shares		455
	CHINA DIRECT TRADING CORPORATION	17,000 shares		765
	CHINA UNICOM LTD ADR	150 shares		1,178
	CHINA WIRELESS COMMUNICATIONS INC	200 shares		16
	CHIPMOS TECH BERMUDA	3,000 shares		19,110
	CIENA CORP	195 shares		651
	CISCO SYSTEMS INC	17,853 shares		344,920
	CITIGROUP INC	1,776 shares		85,545
	CITRIX SYSTEMS INC	800 shares		19,568

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CITY CAPITAL CORP	20	shares	18
CLAREMONT TECHNOLOGIES	625	shares	175
CLARENT CORPORATION	500	shares	28
COCA COLA COMPANY	11	shares	449
COEUR D'ALENE MINES CORP	775	shares	3,046
COHERENT INC	50	shares	1,522
COHUHINC	135	shares	2,506
COLDWATER CREEK INC	472	shares	14,571
COLGATE-PALMOLIVE CO	25	shares	1,279

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**Phelps Dodge Employee Savings Plan
 Schedule of Assets (Held at End of Year)
 December 31, 2004**
**Supplemental Information
 Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
	COMCAST CORPORATION CLASS A	765 shares		25,459
	COMPANIA DE MINAS	500 shares		11,450
	CONEXANT SYSTEMS INC	713 shares		1,419
	CONOCOPHILLIPS	54 shares		4,650
	CONSTELLATION 3D INC	200 shares		
	CONSUMER DIRECT OF AMERICA	30 shares		18
	CORNING INC	769 shares		9,051
	COSTCO WHOLESALE CORP	352 shares		17,063
	COUNTRYWIDE FINANCIAL CORPORATION	202 shares		7,458
	CRUC ELL NV	190 shares		2,616
	CRYOLIFE INC	285 shares		2,015
	CRYPTOLOGIC INC	117 shares		2,919
	CRYSTALLEX INTL CORP	100 shares		359
	CYBEROPTICS CORP	200 shares		2,974
	CYBERTEL CAPITAL CORPORATION	56 shares		
	CYGNUS INC	10,000 shares		1,202
	CYTOGENIX INC	2,000 shares		1,600
	DHB INDUSTRIES INC	500 shares		9,520
	DR HORTON CO	1 share		10
	DRS TECHNOLOGIES INC	170 shares		7,261
	DANA CORPORATION	3,000 shares		51,990
	DAVITA INC	174 shares		6,878
	DECORIZE INC	400 shares		328
	DEERE & COMPANY	70 shares		5,208
	DELL INC	350 shares		14,749
	DELTA AIR LINES INC	250 shares		1,870
	DENDREON CORP	350 shares		3,773
	DESWELL INDUSTRIES INC	75 shares		1,854
	DETOUR MEDIA GROUP INC	1,000 shares		
	DIALYSIS CORP OF AMERICA	25 shares		611
	DIAMONDS TRUST SERIES I	100 shares		10,751
	DICKS SPORTING GOODS INC	314 shares		11,037
	DICUT INC	5,000 shares		55
	DIGENE CORP	3,223 shares		84,281

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DIGITAL LIGHTWAVE INC	20	shares	26
DIGITAL RIVER INC	100	shares	4,161
DIOMED HOLDINGS INC	1,000	shares	4,320
DIPPY FOODS INC	2,000	shares	
DIVINE INC CLASS A	20,328	shares	14
DONALDSON COMPANY INC	40	shares	1,303
DOW CHEMICAL COMPANY	308	shares	15,268
DRKOOP.COM INC	200	shares	
DU PONT E.I. DE NEMOURS & COMPANY	43	shares	2,128
DUKE ENERGY CORPORATION	168	shares	4,255

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	DYNASIL CORPORATION AMERICA	2,000 shares		1,000
	DYNEGY INC CLASS A	1,992 shares		9,201
	EMC CORP MASS	2,903 shares		43,168
	E.SPIRE COMMUNS INC	19,500 shares		4
	EARTHSHELL CORP	8,000 shares		20,000
	EASTMAN CHEMICAL CO	316 shares		18,259
	EBAY INC	155 shares		18,033
	EL PASO CORPORATION	100 shares		1,040
	ELAN CORP PLC 05 WTS	155,000 shares		120,900
	ELECTRIC CITY CORP	1,000 shares		1,240
	ELECTRONIC DATA SYSTEM CORP	207 shares		4,782
	EMAGIN CORP	5,000 shares		5,950
	EMBRAER-EMPRESA BRASILEIRA DE AERONAUTICA	500 shares		16,720
	EMPIRE ENERGY CLASS B VOTING	500 shares		
	EMPIRE EXCHANGECO SERVICE A	500 shares		
	EMULEX CORPORATION	50 shares		842
	ENDEVCO INC	500 shares		18
	ENDOVASC LIMITED INC	16,500 shares		1,237
	ENDOVASC LIMITED (RESTRICTED) INC	2,125 shares		55
	ENERGY TRANSFER PARTNERS	200 shares		11,840
	ENERPLUS RESOURCES FUND	63 shares		2,288
	ENNIS INC	150 shares		2,888
	ENRON CORP	5,470 shares		191
	ENTERRA ENERGY TRUST	200 shares		3,782
	ENVIRO-ENERGY CORPORATION	55,800 shares		6
	ENVIRONMENTAL TECHNOLOGIES INTERNATIONAL INC	5,000 shares		230
	ERESEARCHTECHNOLOGY INC	600 shares		9,510
	ERICSSON TELEFON ADR	55 shares		1,732
	E-TRADE FINANCIAL CORPORATION	400 shares		5,980
	EUROTECH LTD	1,500 shares		29
	EVOLVE ONE INC	624 shares		300
	EVOLVING SYSTEMS INC	4,987 shares		22,392

EXXON MOBIL CORPORATION	2,037	shares	104,423
EZENIA INC	&nbs		